

# The City of Charleston

*Business Development*

Analysis & Initiatives

January 2011

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## *2010-2011 Business Development Overview*

In 2010, the American economy turned a corner, with wide consensus amongst leading economists that the worst economic downturn since the Great Depression had come to an end, and the economy was entering into a period of slow, but encouraging economic growth. Due to Charleston's diverse economy and resilient businesses, our economy fared better than most, but still felt the effects of this downturn.

Despite lingering economic pressure, the City of Charleston found success through its economic development efforts in 2010. The Charleston Digital Corridor, celebrating its 10th anniversary in 2011, grew by 20 companies, faster than its historical growth rate, supporting hundreds of high-wage, knowledge-based jobs. The Flagship, the City's premier co-working facility, housed and/or graduated 22 companies, adding over \$5 million in new salaries and 74 employees to the Charleston economy. The City continues to build its technical workforce through CharlestonWORKS™ with 49 percent (85) of the listed companies actively hiring. In addition, traffic through the Port of Charleston and hotel occupancy/room rates have increased over 2009. Specifically, the South Carolina State Port Authority saw an increase in cargo volume of approximately 18 percent over 2009 and embarked on a year round cruise ship business. The City's Charleston Life Sciences program grew to 19 biotechnology and life sciences companies, with 7 companies locating in the new SCRA Innovation Center while MUSC's annual external research funding reached an all time high of \$235 million.

The creation of managed, sustainable growth in the Charleston economy requires a clear understanding of the sectors that drive her economy and a coordinated approach to support each sector. Charleston's expanding Professional, Technical & Scientific Sector, comprised of professional, technological, life sciences and creative businesses is supported through the Office of Business Development. Charleston's thriving Lifestyle Sector, encompassing events and attractions, hospitality, retail, and arts and culture, is supported through the Department of Planning, Preservation and Sustainability's Division of Business Services. By supporting the Port of Charleston, the City maintains a stable and growing Logistics Sector. Also, at multiple levels of City operations, Charleston supports a wide range of Government, Healthcare, Higher Education and Nonprofit Organizations.

The City, through the Office of Business Development, will continue to focus on high wage job creation by expanding and supporting its existing initiatives, such as the Charleston Digital Corridor. The City will expand its focus on bio-medical and biotechnology through its Life Sciences initiative and the creation of the Horizon District in downtown Charleston to position the community as a national leader in life sciences. The City will complete its expansion of the Flagship with the opening of Flagship 2 (FS2), providing space for 14 additional intermediate-stage, knowledge-based companies. To support the needs of Charleston's knowledge economy, the City will expand its CharlestonWORKS™ initiative to ensure that our businesses have access to the highly trained, technical, creative and scientific talent they require. The City will also intelligently manage growth by focusing on business development on the Cainhoy peninsula, West Ashley and the Charleston Neck, while working to coordinate permitting, inspection and licensing to facilitate renovation and new development. The City will also explore new and emerging opportunities in Clean Tech and Energy Efficiency businesses.

### *Mission*

*The Office of Business Development facilitates the continuous and sustainable growth in wealth and living standards for individuals and communities in the City of Charleston. This is accomplished through a combination of initiatives, community-driven programming and cooperative planning and execution to attract, support and promote businesses and professionals in the City.*

### *Key Economic Drivers for the City of Charleston*

**Professional, Technical & Scientific** - Expertise-based professionals and companies in Charleston

**Lifestyle** - Encompassing tourism, special events, culture, the arts and retail

**Logistics** - The Port and Transportation Management

**Government, Healthcare, Higher Education & Nonprofits** - Public and private institutions within the City

# Key Economic Drivers for the City of Charleston

## *Professional, Technical and Scientific*

Professional Services, Technology, Creative and Life Sciences

Charleston has historically been the professional, cultural and knowledge center of the Lowcountry, and arguably the state. Furthermore, its educated and resourceful population has always been its strongest asset. Charleston's growing professional, technical and life sciences industries have been the primary focus of the City's economic development efforts because of their high wages and growth potential. The City will continue and expand these programs and initiatives through the Office of Business Development.

### *Key Partners*

- MUSC Foundation for Research Development
- SCRA/SCLaunch
- Charleston Regional Development Alliance
- Charleston Metro Chamber of Commerce

### *Performance Metrics*

- Business Licenses by SIC Code
- New Business License Creation
- Revenue from Business Licensing
- Wage & Job Growth Surveys
- Local Employment

## *Logistics*

Port of Charleston, Import/Export, Shipping and Distribution

The Port is an economic driver bringing jobs and opportunities to Charleston and the state and, even with its expansion outside the city's boundary, continues to be a powerful force in the Charleston economy. The Port of Charleston executes its own development initiatives and the City actively supports the Port as needed.

### *Key Partners*

- South Carolina Ports Authority
- South Carolina Department of Commerce
- Charleston Metro Chamber of Commerce
- Charleston Regional Development Alliance

### *Performance Metrics*

- Value of Cargo through the Port
- Tonnage of Cargo through the Port
- Number of Port Vessel Calls (cargo and cruise)
- Business Licenses for Logistics Companies

## *Lifestyle*

Events & Attractions, Hospitality, Retail, Arts and Culture

Charleston's unique and vibrant culture, rich with history and diverse in attractions, supports a robust recreation and tourism industry. The sophistication of Charleston's lifestyle businesses are supported by local professionals who inject their disposable income directly back into the local economy through their patronage of local establishments. Through the Department of Planning, Preservation and Sustainability's Division of Business Services, the City supports Lifestyle businesses through its programs and business services.

### *Key Partners*

- Charleston Convention and Visitors Bureau
- Charleston Metro Chamber of Commerce
- Charleston Area Local Development Corporation
- Arts, Cultural and Retail Organizations

### *Performance Metrics*

- Attendance for Special Events
- Occupancy Rates
- Accommodation Tax
- Hospitality Tax
- Sales Tax

## *Public Institutions*

Government, Healthcare, Higher Education and Nonprofits

Higher education, healthcare and government institutions employ a significant number of skilled workers and professionals and make up a sizable portion of Charleston's economy. Educational institutions also provide Charleston's next generation of skilled labor. The City actively supports these organizations at every level of City operations.

### *Key Partners*

- Local and State Colleges and Universities
- Federal, State, County and Local Government
- Charleston Metro Chamber of Commerce
- Local nonprofit organizations

### *Performance Metrics*

- Student Enrollment for Higher Education
- Employment from Government Agencies
- Economic Impact & Data from Nonprofits
- Research & Development Funding

# *Charleston Business Development Accomplishments*

## *Charleston Digital Corridor*

In February 2011, the Charleston Digital Corridor will celebrate its 10<sup>th</sup> anniversary, demonstrating the City's continued commitment to developing Charleston's knowledge economy. Over the past decade, the Digital Corridor has become the City's cornerstone business development initiative, while serving as a model for other communities and receiving national recognition for its best-practices. The Digital Corridor has seen tremendous growth, adding approximately 20 new high-wage member companies in 2010. In addition, the Digital Corridor awarded 5 scholarships to students at Burke High School seeking careers in technology-related fields to further its commitment to the community. Further information: [www.charlestondigitalcorridor.com](http://www.charlestondigitalcorridor.com)

## *Charleston Life Sciences*

The South Carolina Research Authority (SCRA), the Medical University of South Carolina (MUSC) and the City of Charleston dedicated the SCRA/MUSC Innovation Center at 645 Meeting Street in December 2009. The fully renovated facility attracts and supports start-up life sciences companies with wet lab and equipment space, primarily in concert with entrepreneurs commercializing research spawned at MUSC. The SCRA Innovation center now has 7 tenants. During 2010, the Charleston Life Sciences initiative, which has grown to 19 companies, launched a comprehensive web portal and programming dedicated to the Life Sciences industry in Charleston. Further information: [www.charlestonls.com](http://www.charlestonls.com)

## *Charleston Flagship*

Since January 1, 2010, 13 knowledge-based businesses have commenced operations at the Flagship, while 9 companies have graduated. These companies, located in the Charleston area, have created approximately 74 knowledge-based jobs and raised over 15 million dollars in funding. In 2011, the City will expand the Flagship initiative by opening the Flagship 2 (FS2) in April of 2011. This facility, which is 13,700 square feet and adjacent to the Flagship will accommodate an additional 14 intermediate-stage, knowledge-based companies. Further information: [www.charlestonflagship.com](http://www.charlestonflagship.com)

## *Charleston Workforce Development*

CharlestonWORKS.com was launched in January 2010 with 130 companies and 27% hiring. Today, less than one year later, the portal boasts 175 companies, with 49% (85) actively hiring. In 2011, the City will build on this success by merging CharlestonWORKS™ & the Charleston Digital Corridor's Talent Portal to continue leading the way in talent management. Charleston's knowledge economy remained strong in 2010 with the average wage level of Digital Corridor companies (\$75,896) double both the state (\$37,040) and MSA (\$37,955) averages. Furthermore, 61% of participating companies in the *Digital Corridor Annual Wage & Job Growth Survey* have added jobs and expect to continue hiring. Further information: [www.charlestonworks.com](http://www.charlestonworks.com)

# *Primary Business Development Focus Areas for 2011*

## *Charleston Flagship & FS2*

The Flagship is Charleston's premier co-working business environment. The mission of the Flagship is to facilitate the development of Charleston's entrepreneurial economy. The Flagship is made possible by the City of Charleston and is managed by the Charleston Digital Corridor Foundation, a 501(c) 6 non-profit corporation.

The Flagship is a contemporary business environment designed to meet the transitional needs of entrepreneurs seeking adaptable, affordable office space and conference facilities of the highest quality, while gaining access to the Charleston Digital Corridor's Professional Resource Network.

Conveniently located in Downtown Charleston at corner of East Bay and Calhoun streets, the Flagship officially opened for business on June 1, 2009. The Flagship consists of a total of 11 offices of varying sizes, all of which are fully-furnished and wired for "instant-on" use by businesses. There are no long-term lease commitments and residents enjoy 24-hour access to the facility.



### **Impact:**

- The Flagship is currently home to 13 knowledge-based businesses in market sectors including software development, biotechnology, clean tech, new media and advertising.
- 9 companies have graduated from the Flagship and are now operating in our community.
- The Flagship also supports the local visual arts community through the "Gallery at the Flagship."
- Current Flagship residents and graduate companies have raised over \$15 million in funding from public/private sources (since June 2009).
- Approximately 74 jobs have been created in Charleston by both current resident companies and graduates, infusing over \$5 million in payroll into the local community.

Through the City's experience with the Flagship, a new market has presented itself - the need for flexible, Flagship-style space for intermediate-stage companies. Intermediate-stage companies are typically between four and ten employees, perhaps too large to take advantage of the Flagship's individual offices, but not quite in a position to commit to a long-term lease, or who are expanding at a rate that would have them outgrow a space before their long-term lease runs out. These companies require flexible, short-term leases and spaces between 500 and 2,500 square feet, with common meeting areas and access to business services. The City can accommodate this need through the expansion of the Flagship in a way that complements Charleston's commercial real estate companies.

Flagship 2 (FS2) is an expansion of the Digital Corridor's highly successful Flagship, downtown Charleston's premier co-working business environment and is set to open in April of 2011. This new facility, dedicated for use by knowledge-based companies, offers tenants super-fast data speeds, flexible lease terms, 24-hour secure access, on-site parking and amenities including indoor bike storage, shower facilities and outdoor conference/dining. At 13,700 square feet, FS2 is designed to meet the unique need for flexible workspaces desired by knowledge-based companies. FS2 will complement and expand the Flagship's current office space offerings (75-150 square feet) with a variety of office configurations ranging from 300 to 5,000 square feet accommodating up to 14 additional companies.

## *Charleston Life Sciences & Horizon*

The City's Charleston Life Sciences (CLS) program, an effort to attract, nurture and promote life sciences companies in Charleston, began in the summer of 2007 as an offshoot of the nationally recognized Charleston Digital Corridor initiative. Members of Charleston's growing life sciences community successfully articulated their unique needs, beyond the Digital Corridor's offerings, to create Charleston Life Sciences. Prior to its founding, Life Sciences existed as a category of knowledge-based companies within the Digital Corridor. Since its inception, Charleston Life Sciences has grown into its own community of companies and industry professionals. With the growth of life sciences companies, the City of Charleston, through its Office of Business Development, seeks to expand its Life Sciences initiative to maximize economic expansion in this sector. The objective is to allow the City of Charleston to develop efficient partnerships and better cooperation between the City, MUSC and Life Sciences companies and related support organizations.



### **Objectives**

1. Develop a network of life sciences companies and experienced industry professionals to create economic growth in Charleston.
2. Identify, leverage and communicate resources that exist among the various public entities and private interests related to life sciences.
3. Facilitate the formation, relocation and expansion of life sciences companies in Charleston, including those who license research innovations from the Medical University of South Carolina.

### **Accomplishments**

- Facilitated the development of the SCRA/MUSC Innovation Center by making a vacant 33,000 sq. ft industrial building available to SCRA on a long-term lease – \$6 million investment (Dedicated December 2009).
- Developed the Flagship to serve as a premier co-working facility for young, knowledge-based companies, including life sciences companies - \$150k investment (Opened June 2009).
- Identified the various entities in the region and state considered stakeholders in the life sciences community.
- Researched licensing, disclosure and company formation at universities comparable to MUSC.
- Organized a quarterly meeting of companies and professionals with extensive life sciences experience.
- Assisted life sciences companies with promotion.
- Organized meetings between perspective and existing life sciences companies.
- Assisted companies with raising capital.
- Created a comprehensive web portal for life sciences companies in Charleston.



## *Charleston's Life Sciences Business Community*

Charleston's growing network of life sciences companies falls into three categories: homegrown, relocating and local branches. Homegrown Companies emerge from research innovation developed by the Medical University of South Carolina (MUSC) and are more dependent on local infrastructure and academic support than their counterparts. These companies tend to be early-stage businesses and are typically pre-market and undergoing clinical trials. Relocating Companies, which have chosen to move their operations or headquarter them in Charleston, are less dependent on local infrastructure and academic support and typically are at-market or in late-stage clinical trials. Local Branches are satellite branches of well established, at-market companies and are independent of local infrastructure and academic support.

## *Organizations Supporting Life Sciences*

### **SCRA/SC Launch**

The South Carolina Research Authority (SCRA) is focused on applied research and commercialization opportunities. SC Launch is an affiliate of SCRA who has partnered with the University Research Foundations of MUSC, Clemson and the University of South Carolina to strengthen South Carolina's knowledge economy.

### **Medical University of South Carolina (MUSC)**

MUSC is the South's oldest medical school. The primary research focus areas at MUSC are cancer, neurosciences and cardiology/GI. MUSC's research funding for FY 2009 is approximately \$217 million.

### **The Foundation for Research Development (FRD) at MUSC**

The Foundation for Research Development (FRD) at MUSC is charged with harnessing the research coming out of MUSC and moving it to the private sector, serving as the front door for industry. The FRD identifies individuals/companies who are interested in participating in some of the available opportunities at MUSC.

### **Other Supporting Organizations**

Charleston Metro Chamber of Commerce is engaged in several initiatives to promote Charleston's knowledge economy. The Charleston Metro Chamber is also involved with lobbying the various legislative bodies for legislation to improve the business climate of the Tri-County region.

The Charleston Regional Development Alliance (CRDA) is a partnership between business and government (Berkeley, Charleston and Dorchester counties) working to create a sustainable, globally competitive regional economy.

New Carolina is the official name for South Carolina's Council on Competitiveness, a public-private partnership working to increase per capita income in South Carolina and drive the movement towards a "New Carolina" – a South Carolina with a brighter future and a competitive, winning economy.

SC Bio is a member organization that exists to support and advance South Carolina's Life Sciences industry through advocacy, networking and education.

## *MUSC and Life Sciences in Charleston*

Life sciences companies typically do not develop and own the intellectual property upon which their products and services are based. These companies are dependent on licensing research innovations produced within universities with active research operations. It is then the responsibility of the company to undertake product development, federal approvals, financing, marketing and sales. They are also dependent on local hospitals, contract research organizations and medical universities to provide patients for clinical trials and doctors to provide expert expertise and services.

### **Bench-to-Bedside**

Bench-to-Bedside is the term used to describe the process by which the results of research done in the laboratory are directly used to develop new ways to treat patients. The National Institutes of Health (NIH) Bench-to-Bedside program, originally established in 1999 to integrate the work of basic and clinical NIH campus scientists, opened to partnerships between the NIH and external programs in 2006. Beyond the NIH, bench-to-bedside represents a



philosophy of partnership between research scientists, hospitals, universities and Life Sciences companies to bring medical innovations into healthcare through the efficient development, testing and licensing of medical innovations. The objectives of the bench-to-bedside approach are to improve patient care through the deployment of new medical procedures and implements; reduce health care costs by treating medical conditions more efficiently; and to promote economic growth through the formation and expansion of Life Sciences companies.

### **MUSC as a Research Institution**

Aside from being the oldest medical university in the South and training some of the nation's finest doctors, MUSC is a premiere research institution with over \$217 million in research awards in FY2009, with the departments of Neurosciences and Psychiatry nationally ranking number two and eight, respectively. MUSC continues to expand its research enterprise, promoting scientific discovery and economic development. Two new facilities are under construction to further MUSC research; the 114,000 square-foot Drug Discovery Building and the 96,000 square-foot Bioengineering Building. The facilities are being built simultaneously and are funded from the state's Research University Infrastructure Act, federal awards and private donations.

### **The FRD and Life Sciences Companies**

The MUSC Foundation for Research Development (MUSC-FRD) is a nonprofit, charitable foundation created to benefit the Medical University of South Carolina (MUSC) by establishing relationships which bring ideas, technology and expertise of the faculty, staff and students at MUSC to industry, and ultimately, into public use.

When access to intellectual and/or physical, research-related resources of MUSC are sought by new or existing companies, the FRD endeavors to make these resources available through subcontracts with specific individuals or resources at MUSC. These relationships can include consulting, access to MUSC equipment, research and development contracts and/or clinical studies.

With respect to intellectual property management and technology transfer, the Foundation carries out the traditional functions which include innovation; identification; scientific, legal, and business opportunity evaluation; intellectual property protection, where appropriate; marketing; and the negotiation and management of option, license and/or sales agreements.

### ***Horizon – The Creation and Promotion of a Life Sciences District***

The growth in research funding at MUSC from \$180 million in FY2005 to \$235 million in FY2010 is testament that the university continues to attract external research dollars. While these funds boost MUSC's reputation as a research institution and have a tremendous economic impact on the Charleston community, they can be further leveraged by an aggressive industry partnership program. A component of this program to leverage Intellectual Property from MUSC is the development of a partnership between MUSC, SCRA and the City of Charleston to facilitate the creation of a public-private, mixed-use, research-oriented campus where the boundaries between parties are intentionally blurred, with Charleston emerging as a premium life sciences community.

MUSC and SCRA have collaborated with the City of Charleston to foster the development of the Horizon District as a vibrant, urban, mixed-use community with retail, residential, and research/office space through the adoption of a Memorandum of Agreement by Charleston City Council. The proposed Horizon District has the potential to create high wage-jobs and provide a new opportunity to live in the city, within close proximity to health care, universities, shopping, parks and cultural events.



## Charleston Workforce Development

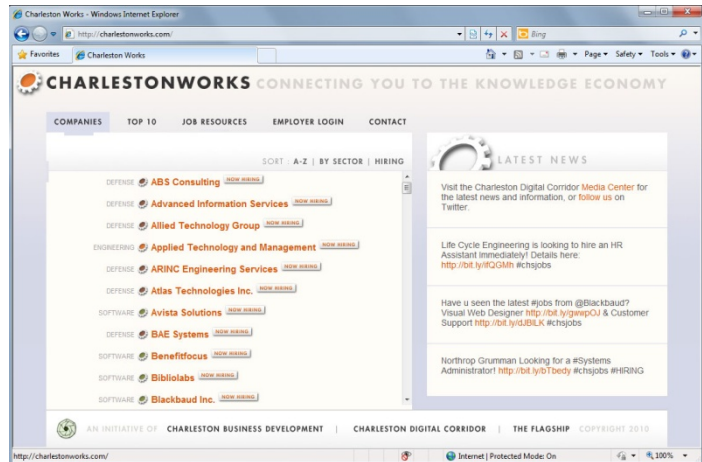
Recognizing that talent is the key driver for successful knowledge-based companies, in January 2010, the City of Charleston's Digital Corridor embarked on a new endeavor to connect qualified individuals with the many growing career opportunities in Charleston—CharlestonWORKS™. This initiative promotes Charleston's knowledge economy as the emerging, premium destination for technical professionals.

### Objectives

1. To assist employers with their hiring needs by serving as the gateway for employment resources in Charleston's knowledge economy; and,
2. To generate awareness among highly skilled, technical professionals about the many knowledge-based companies located in Charleston.

### Accomplishments

- Created a website featuring a comprehensive list of knowledge-based employers by sector and hiring status ([www.charlestonworks.com](http://www.charlestonworks.com)).
- Attended university career fairs throughout South Carolina to promote Charleston's knowledge economy.
- Implemented a twitter feed to instantly communicate job openings - @CharlestonWORKS.
- Simultaneous posting of jobs on Craigslist + the Digital Corridor Talent Portal.
- Created a password-protected wiki for human resources professionals to collaborate.



### CharlestonWorks.com Talent Portal

By building on the success of the Digital Corridor's Talent Portal, CharlestonWORKS.com showcases the magnitude and diversity of Charleston's knowledge economy by providing the first comprehensive listing of all knowledge-based companies in the area, including companies that are not Digital Corridor members. Launched in January 2010 with 130 companies and 27% of them hiring, CharlestonWORKS™ now boasts 175 companies, with 49% (85) actively hiring. In 2011, the City will build on this success and merge CharlestonWORKS™ and the Charleston Digital Corridor Talent Portal to continue to lead the way in talent management. By combining these portals, the City will create a single online gateway to attract and retain quality, knowledge-based talent to build on the City's already impressive workforce.

### Collaborative Public Relations

Simply providing information to the public will not achieve the objectives to build Charleston's workforce. The public must become aware that the information exists and must be compelled to absorb it. In this regard, a public relations campaign to communicate information and ensure that it is conveyed through the press in an accurate and timely manner is needed. While the City has done an excellent job of ensuring press coverage on a local level and using social media, further efforts are needed to promote Charleston on a national level. The perception of Charleston as a tourist destination still dominates the minds of those outside of the region. One option would be to enlist the services of a dedicated public relations firm or individual. Rather than dedicate the resources to this approach, the City will leverage the existing public relations talent of member companies and allied organizations such as the Charleston Regional Development Alliance. The City will coordinate an efficient public relations strategy to promote Charleston as an environment where knowledge-based professionals thrive.

**Coordinated Press Releases and Promotion** – By leveraging the talents of public relations professionals at local businesses and in the Charleston area, the City will coordinate a PR campaign to promote Charleston as a City that is experiencing professional growth in a difficult economy.

**Regional and National Press Contact Sharing** – Through this effort the City will coordinate and encourage the sharing of Regional and National contacts at various publication and news outlets for local companies to increase their press coverage and, thereby, the perception of Charleston's Professional Environment.

**Piggyback PR** – The City will encourage local companies to include information in their own press releases about Charleston and why they are doing business in the area.

### *Cooperative Workforce Networking*

First and foremost, a workforce is developed by the companies that hire professionals. The City maintains an active and healthy relationship with the recruiting and human resources individuals in Charleston and initiatives such as these are the direct result of that relationship. The City will continue these efforts and encourage cooperation and collaboration between companies, educational programs and institutions. In short, the City will apply the same model that has been effective with companies and apply it directly to individual professionals to encourage growth from within, as well as recruitment from outside the area.

**Candidate Sharing** – With a limited number of qualified and experienced knowledge workers applying for positions, it is essential that employers share candidate resumes that are promising but may not be a fit with the individual company. This sharing of resumes takes place on a personal level, in addition to using technology to facilitate the process.

**Educational Programs** – Recruitment from outside of Charleston cannot be the only mechanism for workforce development—job growth and creation must also occur from within. Through communication between the colleges, technical and trade schools and continuing education programs, area employers will become more aware of freshly qualified candidates. In addition, local businesses should be encouraged to make a commitment to entry-level creative and technical talent and not rely solely on seasoned knowledge workers. In 2011 the City will actively partner with educational institutions to create the next generation of creative, professional and technical workers to meet the City's growing need.

**Testimonials** – Employees of local companies should be encouraged to share their experiences and successes in Charleston. For their part, employers should actively solicit testimonials from their employees and share those with the City and other entities. In addition, existing initiatives, such as the Digital Corridor's Annual Wage & Job Growth Survey will be expanded to include number of jobs filled through the Digital Corridor's Talent Portal and job satisfaction.

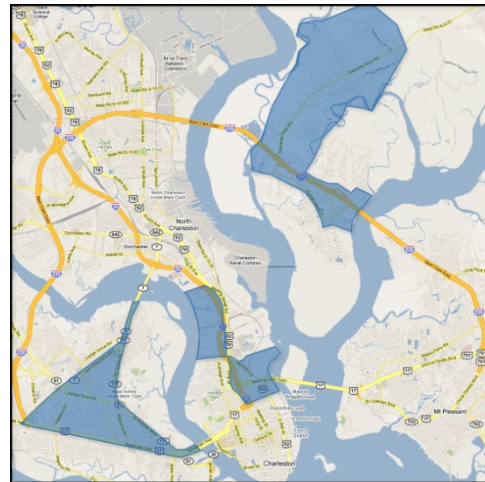
**User Groups** – The City and other entities should, whenever possible, assist individual professionals in Charleston in acclimating to the social and professional environment. This can be facilitated by promoting the professional and social organizations already in Charleston through supporting technical user groups and organizations. The Charleston Digital Corridor currently supports the Alt.Net, Java, Python Django, and Ruby user groups by allowing them to use the Flagship to hold their meetings.

## *Other Business Development Initiatives*

### *In The Loop - Economic Expansion Around I-526*

The City of Charleston is much more than just the peninsula. While peninsular Charleston serves as the cultural, social and professional center of the tri-county region, downtown represents only a fraction of the total area of Charleston. To meet Charleston's business expansion needs, the City will focus its business development efforts on locations around Interstate 526, the semi-perimeter connecting West Ashley to Mount Pleasant through North Charleston and Daniel Island. With most of Charleston's residential communities existing inside I-526 and off the peninsula, this would aid in balancing the in/out flow of traffic and reducing commute times.

By focusing business growth around I-526, individual companies will find significant advantages both strategically and logistically. With easy access to downtown via I-526 and I-26, companies in this area will find themselves ten to fifteen minutes from any business destination in the region, including the Charleston International Airport, SPAWAR, Boeing's manufacturing facility and high-amenity, residential communities. Advanced infrastructure, protection from coastal flooding and easier transportation and parking are also key attractors to the areas around I-526.



The City has identified three key areas to focus its attention on in 2011. These include Daniel Island/Cainhoy peninsula; the Gateway District in the upper Charleston peninsula; and the Ashley District west of the Ashley River. These three areas provide unique opportunities for a variety of professional office/commercial development. The City will actively encourage and promote these unique offerings to the Charleston business community and potential companies relocating to the region.

#### **New Development – Cainhoy District**

The Cainhoy District on Daniel Island/Cainhoy Peninsula is a unique opportunity for growth in the City of Charleston. It is one of the few areas in the City available for greenfield development and provides an ideal location for build-to-suit commercial projects. It's proximity to I-526, the Charleston Airport, SPAWAR and the high-amenity residential communities on Daniel Island, Clements Ferry Road and Mount Pleasant make it ideal for knowledge-based businesses, high-tech manufacturing and defense contractors. Several commercial developments are underway, or in the planning stage, that will maximize the advantage of this area.

#### **Urban & Environmental Redevelopment – Gateway District**

Suffering the effects of years of environmental damage, the upper Charleston peninsula has largely been an undeveloped and underutilized area of the City. Projects like the Magnolia redevelopment on the east bank of the Ashley River are positioned to foster infill, mixed-use development and convert formerly neglected property to a fresh, vibrant working community. This and other areas of the Gateway District offer distinct advantages to businesses as they lie in the geographic center of Charleston and are in close proximity to downtown and Charleston International Airport.

#### **Suburban Redevelopment – Ashley District**

While largely residential, opportunities exist for commercial development in the City west of the Ashley River. The areas directly abutting Savannah Highway (US Hwy.17 South), Ashley River Road and Sam Rittenberg are largely developed with strip-mall style retail establishments with higher than average vacancy rates. These areas could be intelligently redeveloped as modern commercial properties and improve the overall quality of the area. Ease of transportation; existing infrastructure; ample parking; access to I-526, downtown and the residential neighborhoods; as well as proximity to the West Ashley Greenway make this area attractive for professional and commercial development.



## *Charleston JumpStart - Coordinated Permitting & Licensing*

The Department of Planning, Preservation and Sustainability recently began consolidating and streamlining the licensing and permitting process for new development and commercial renovation. This effort is a critical component, as delays in permitting/construction for new and relocating companies could compromise and undermine the City's business development efforts. Charleston Business Development will actively assist the Department of Planning, Preservation and Sustainability in every way possible to achieve this objective.

Charleston Business Development has offered concierge-style business services for new and relocating knowledge-based companies, assisting them in site selection, relocation, licensing and introductions to professional services. With the increase in new business formation and company relocation, Charleston Business Development has found it challenging to keep up with the demand for assistance. To address this issue, the City will initiate the JumpStart initiative.

The JumpStart initiative is intended to consolidate the steps required for commercial development into a single, integrated process detailing the necessary steps, responsible City divisions and required development submittals. Once documented, this process will be communicated to all relevant City departments and made available to all interested parties. Having a unified process that is clearly communicated between departments and to the public will decrease the time required to secure the necessary permits, licenses and approvals for commercial development, lowering the barrier to entry for development in the Charleston market.

## *Charleston Clean Tech*

In an effort to promote sustainability, the City's Department of Planning, Preservation and Sustainability has identified an emerging community of Clean Tech companies already operating within the City. Several of these companies are currently members of the Charleston Digital Corridor and Flagship tenants. Also in 2010, several key developments occurred, propelling Charleston into the Clean Tech industry.

These include:

- Clemson University's Restoration Institute and its partners began construction of a large-scale wind turbine drive-train testing facility at the institute's research campus bringing international attention to the region. The facility is scheduled to open in 2012.
- The City launched Charleston SAVES, a city-wide energy efficiency initiative dedicated to providing energy efficiency services to building owners in the city of Charleston.
- The City has partnered with Trident Technical College and a team of local building professionals with experience to develop a Building Performance Institute (BPI) approved curriculum for teaching the building science of energy efficiency improvements to historic structures in a hot, humid climate.

In November 2010, the City, partnering with the Sustainability Institute and local professionals, commissioned a report to assess the economic impact of Clean Tech businesses on the Charleston economy and identify initiatives necessary to promote and expand this emerging professional community. This report is due to be published in the first quarter of 2011. Based on the findings of this report, the Office of Business Development stands ready to assist with executing any initiatives to focus on businesses providing energy efficiency, sustainability and environmentally responsible products and services.

## *The Role of the Division of Business Services*

The Division of Business Services (DBS) helps businesses in the City launch, grow and succeed. DBS is focused on businesses in the Lifestyle Sector, which includes retail, tourism, special events, hospitality, and the arts. To fulfill this mission, DBS assists business owners in a wide variety of ways: navigating the City's permitting processes, securing financing, locating real estate, and identifying other resources to help them maintain a successful business. Located within the Department of Planning, Preservation & Sustainability, DBS represents the interests of the business community in policy areas such as city planning, permitting, licensing, public services, land use and neighborhood services.

While the Office of Business Development is primarily focused on attracting, nurturing and promoting Professional, Technical and Scientific companies within the City of Charleston, the Division of Business Services is focused on providing assistance to Lifestyle businesses. Both Business Development and Business Services provide direct assistance to companies seeking to operate within the City. Whether related to real estate, licensing, permitting or capital, both offices work to resolve issues within their respective economic sectors

The Lifestyle Sector is unique in relation to economic development. While Professional, Technical and Scientific companies respond well to recruitment and retention initiatives, and Government, Healthcare and Higher Education are less susceptible to macro-economic trends, the Lifestyle Sector, especially retail and hospitality companies, are largely driven by seasonal tourism patterns and fluctuations in external market conditions. For this reason, the City has focused its efforts on recruiting and developing Professional, Technical and Scientific businesses to expand the overall economy while providing exceptional service and innovative programming to retail and hospitality businesses. In doing so, the City has identified several unique needs in the Lifestyle Sector:

- The high turn-over rate of retail and hospitality businesses requires rapid re-occupation of these vacant, prime retail locations to avoid a detrimental impact on the overall businesses district;
- Retail and hospitality establishments place a higher demand on city services such as police, sanitation and transportation while impacting the livability of adjacent residential neighborhoods, which requires greater scrutiny in planning, zoning and inspections; and,
- The relatively high start-up costs of retail and hospitality, including architectural and professional services, mean delays in inspection and permitting can be financially burdensome for these businesses.

The Division of Business Services works to promote and maintain a strong business climate throughout the city and to foster a healthy and sustainable economy. Primarily focused on Charleston's Lifestyle Sector, the Division of Business Services assists businesses through the following initiatives and services:

- One-Stop Shop - guiding businesses through City approval processes and other City related issues (Business License, Permitting, Zoning, Board of Architectural Review and Special Events).
- Business Resource Center - connecting businesses to useful resources outside the City
- Promotion of Retail on King Street and other Strategic Retail Corridors
  - Second Sundays on King Street
- Retail and Hospitality Recruitment - use market data to promote Charleston to potential retail tenants
- Development Finance Assistance – work to finance businesses and development projects through innovative private and public financing mechanisms
- Market Research
  - Work with the private commercial real estate community to compile relevant market data
  - Maintain a database of available commercial properties on King Street
  - Collect periodic pedestrian counts in key retail corridors